NEW BROOMS SWEEP CLEAN

they would pass a law abolishing all private indebtedness. 426
It is gratifying to note that in spite of all this arrant 663
demagogy and incitement to default, the peasantry has not deviated from its traditional honesty, and that in spite of the crisis it has done its best to meet its liabilities. The annual reports of the Agricultural Bank show that its advances to the peasants have during the years 1930 to 1933 slowly but steadilly decreased and that their total indebtedness to the bank had been reduced by 300 million leva at the end of 1933, as compared with the year 1929. In the bank's report for 1933 it is stated that the peasantry has ceased increasing its indebtedness owing to its being conscious of the necessity of adjusting its debts to the present level of their income, a fact which speaks very highly of its common sense as well as of its determination to maintain its standard of integrity by which Bulgarians have so far distinguised themselves from their neighbours.

One of the most active members of the Cabinet was 652
its Finance Minister, M. Peter Todorov, who in a brief 655
period of a few months succeeded in settings order in his department so that the salaries of public functionnaries which were some five months in arrear, began being paid again regularly. Debts to Government contractors which had remained unpaid for years were liquidated and with indefatigable energy M. P. Todoroff set creating new sources of revenue for the State. These were the monopolies of alcohol, tobacco, salt, light mineral oils and school text books. There was an intensive contraband carried on in alcohol, and the State was being deprived of millions of revenue which otherwise ought to have flowed into its coffers. The returns of the Excise on spirituous drinks were yearly diminishing correspondingly with the reported consumption of both beer and alcoholic drinks as may be noted from the following table:

BULGARIA-PAST & PRESENT

Consumption in thousand of hectolitres

	1929	1930	1931	1932	1933
Beer	76.4	46.8	44.7	81,7	52.7
Alcohol	10.2	8.2	8.2	4.9	5

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Yet these figures were far from corresponding with the actual consumption, and it was known that a large number of illicit stills were being in operation all over the country. The question of the loss this clandestine trade entailed to the Treasury came up several times for discussion in the Sobranye but so far no government tackled the matter seriously as it was afraid to ruffle certain sections of the electorate which engaged in these operations. Thus deputy Dr H. Mutafov speaking in the Sobranye on June 13, 1932 affirmed that for 1930 the quantity of wine which had been declared to the authorities and on which excise had been collected amounted to 38,822,096 litres, while according to the figures of the Ministry of Agriculture some 108,618,482 litres had been produced. The figures for 1931 showed even a greater discrepancy. It was known also that some 10 million litres of wine had been distilled and transformed into brandy, on which additional excise ought to have been paid, but of this quantity only 42000 litres had been declared. The contraband on tobacco was even more intensive than that on alcohol, for the smuggling of this article was much easier and the profit correspondingly greater. Tobacco in the leaf was sold at about 10 to 15 leva per Kg. while when transformed into cigarettes it was retailed at 150 to 200 leva per Kg. by the tobacco manufacturers who of course refunded to the State the amount of excise chargeable on their sales. The consumption of tobacco on which excise was imputable was yearly declining, and proportionally the State revenue from this head. A former Minister of Finance had declared on May 10, 1932 in the Sobranye that if the excise service could be reorganised and strengt-

NEW BROOMS SWEEP CLEAN

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hened some 400 to 500 millions extra annualy would accrue to the State from this source, and he cited figures to show how the consumption of tabacco on which excise had been collected was being anually reduced. 5,214,089 kg. in 1925, dwindling gradually to 3,888,312 kg. in 1931. These figures may be supplemented by the following table which also shows the revenue derived from tobacco.

Tobacco consumption in thousand kg.		Excise duty in million leva	
1931	3,888·3	670·4	
1932	3,506·6	642·5	
1933	3,374·3	613·3	
1934	3,191·0	580·2	

The tobacco monopoly will not only contribute in increasing revenue very substantially, and this will probably be secured by the creation of a special cheap brand of cigarettes to be sold exclusively in rural districts as has been done in Turkey, but will also exert a certain influence in stabilising the price of tobacco and will permit growers to obtain a more equitable price. With the creation of the tobacco monopoly the State will absorb for its proper requirements some 5 million kg. of tobacco and as this amount represents about a fourth of the annual crop, it will be easy for the State to exert a hardening tendency on prices for the benefit of the growers. Another beneficial result which will be derived from the creation of this monopoly is the improvement in the condition of the workers in the tobacco industry which occupies the greater number of industrial workers in Bulgaria. The State owing to its proclaimed policy of upliftment of the working classes is bound to do its utmost to ameliorate their lot, which was far from being enviable as may be inferred from the large number of strikes which occured in this industry,

The monopolies of light mineral oils and of salt do not aim at securing additional revenue to the State, their

652 655 object being mainly to effect a better control and levelling of prices in all parts of the country. The one for school text books has been created in order to reduce prices and to prevent the too frequent change of the books made use of in schools, a practice much in vogue in Bulgaria and by which students were exploited to the advantage of certain publishers closely connected with political circles.

Minister P. Todorov took the initative to fuse into one under the title of „Bulgarian Credit" all the provincial banks of the country in order to strengthen their position and reduce their running expenses. The State provided for this purpose a sum of 50 million leva, while the capital of the amalgamated banks amounts to about 100 millions. Eventually it is proposed to increase the capital to 250 million leva. The two State banks, the „Agricultural" and „Central Co-operative bank" have likewise been merged into one to the great advantage of the State and of the co-operative societies as may be inferred from the writer's notes on the co-operative movement.

654 The Ministry of Finance began to tackle also the problem of the excessive protection granted to the local industry which rendered the prices of all industrial products unapproachable to the impoverished agrarian masses. The advantages and prerogatives hitherto enjoyed by industrial establishments have been curtailed in many directions and the preference they enjoyed over their foreign rivals in so far as supplies to government institution is concerned has in fact been removed.

652 648 Other reforms, having as an object the stabilisation of the civil service, the simplification of judicial procedure, the transformation of the educational system etc, were being studied and would have been shortly applied when unexpectedly the Cabinet of M. Gheorghiev was asked to resign and cease its creative action, on the alleged pre-

11: Logio S-4 (no date) 1936 EE1 Bulgaria EE1

439 deepening economic crisis, and though she remains the best purveyor and client of Bulgaria, such commerce as is carried on is mainly in the form of barter and is yearly becoming more difficult. So long as England seems disinclined to lend a helping hand to Bulgaria and the other Danubian countries in order to facilitate the marketing of their produce on the British market, the only alternative which would bring relief to these hard-pressed communities, is the restoration of prosperity to Germany, which alone seems capable and willing to interchange its products with those of the Danubian countries, for the mutual advantage of all the parties concerned. As prosperity seems to have taken leave of Germany, and England shows little desire to assume the role of a good European, prospects for recovery in Bulgaria and the neighbouring countries can not be said to be bright.

COMMUNICATIONS

Railways

496 The Bulgarian State railway system at the end of 1933 consisted of 2,800 klm. of single track normal gauge ●655 railway lines, including the section Plovdiv-Panagurishte, 70·88 klm. in length opened to traffic in December 1933, 162 klm. of narrow 76 cm. gauge, and 250 klm. of 60 cm. gauge. According to a statistical report issued during the financial year 1932-3, the capital invested in the railway system amounted to 13,514,847,000 leva (or, 450,494,900 gold francs) and was made up of the following items:

Railway lines (all gauges) 3,085 klm. value 350,375,520 gold francs		
Locomotives	597	
Passenger cars	621	
Tenders	205	" 100,119,380 "
Postal cars	43	
Goods trucks	10,901	

COMMUNICATIONS

Of all East European States, Albania excepted, Bulgaria has the smallest milage of all, 2·2 klm. of railway track per 100 sq. klm. of territory. The ratio being 2·5 for Greece, 3·7 for Yugoslavia, 4 for Rumania, while the proportion for Austria, Hungary and Switzerland, are respectively 8, 10·2, and 14. In spite of this evident inferiority, construction since 1918 has been very restricted, averaging a bare 44·3 klm. a year, owing to the depressed State of the country's finances. The railway administration is an autonomous institution and since 1929 has had its own distinct budget. The railway department had the great advantage of having for a number of years a most energetic, progressive and honourable engineer at its head, M. Morfov, who was subsequently nominated to the post of Bulgarian Minister in Paris, it also had in recent years the good fortune to possess as titulary chiefs, in the person of the Ministry of Railways, such active and honest men as MM. Kimon Gheorghiev and Stoyan Kosturkov, all of whom did their best to avoid the mistakes committed by their predecessors, a few examples of which are narrated further on.

The table on page 212 will give an idea of the intensity of the traffic and of the rentability of the system during the last few years.

The intensity of the traffic in comparison with Western European countries is very light, as may be seen by comparing the relative data for the year 1931 relative to Belgium and Bulgaria:

	Average milage	Number of passengers carried	Passengers per klm.	Goods carried	Tons per klm.
Belgium .	4800 klm.	221,303,000	1,209,000	79,535,000	1,433,000
Bulgaria .	2600 klm.	7,680.000	204,000	3,480,000	250,000

From the above table it will be seen that the traffic in Belgium is on an average 6 times as intense as in